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REAGAN REVAMPING CABINET COUNCILS; 2 KEY AIDES NAMED

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SANTA BARBARA, April 11 — President Reagan today announced a major reorganization of the White House that, while affirming Donald T. Regan's primacy as White House chief of staff, also grants powerful roles to two key advisers from Mr. Reagan's first term.

Under the arrangement, Mr. Regan, James A. Baker 3d and Edwin Meese 3d will supervise virtually all aspects of domestic and economic policy through two new councils.

The move would eliminate seven current Cabinet councils, each headed by a different Secretary. In its place, policy matters involving those officials and other White House aides will flow through the new councils to Mr. Regan.

Groups to Be Disbanded

The Cabinet councils to be dropped deal with commerce and trade, economic affairs, food and agriculture, human resources, legal policy, management and administration and natural resources and the environment.

In addition, the Senior Interagency Group on International Economic Policy would be abolished.

The other Cabinet members were said by the White House to be pleased with the reorganization.

Mr. Regan will be first among equals, but Mr. Meese, the Attorney General, and Mr. Baker, the Treasury Secretary, will coordinate the development of domestic and economic policy by other Cabinet departments.

Mr. Meese and Mr. Baker, with Michael K. Deaver, were the original "Big Three" who came to the White House with Mr. Reagan in 1981.

Mr. Baker will oversee a new Cab-

net-level group on national and international economic policy. The group will advise the President and coordinate policy.

Mr. Meese will head a similar council to advise Mr. Reagan on domestic and social policy and develop such policies in a more "comprehensive and integrated" way, the White House said.

The two new councils are to be composed of other Cabinet members and Administration officials. Policy issues developed by the councils would go to Mr. Regan and then to the President.

With this move, the President seems to be returning to a team approach among key advisers; At the start of his second term the new chief of staff appeared to be exercising sole leadership within the President's inner circle.

The more collegial alignment leaves Mr. Regan alone atop the White House environment than is customary for Cabinet members.

It also assured that at least one of the Californians who have been with Mr. Reagan since he was Governor of California would be closely involved with him: Mr. Meese was Mr. Reagan's chief aide in Sacramento, and is taking leadership of the new Cabinet council just as another of the Californians, Mr. Deaver, is leaving the White House to start a public relations business.

"The new entities will streamline policy development and decision making," the President said in the statement written at his nearby ranch, where he is vacationing, and announced here. "Together with the National Security Council, they will serve the primary channels for advising me on policy matters."

Mr. Reagan said in the statement, which was read by Larry Speakes, the chief White House spokesman, that the system would allow added "accountability and efficiency."

The restructuring sharpens the system of policy making that Mr. Reagan has long relied on, both as President and as Governor of California from 1966 to 1974. In each instance, he has favored having policy recommendations formulated at the staff level and then presented to him.

Plan Proposed by Regan

The new structure would give control over that procedure to a small group of three officials — Mr. Baker, Mr. Meese and Robert C. McFarlane, the President's national security adviser.

They would, in effect, then report to Mr. Regan, who would serve as an "ex-officio" member of the councils along with Vice President Bush. Alfred H. Kingon, a top aide to Mr. Regan, would be secretary to the councils, coordinating their actions and recommendations with the White House.

Mr. Speakes said the plan was first proposed by Mr. Regan in February and approved by the President on Wednesday. The White House spokesman added that the plan had been "largely approved and applauded" by the other Cabinet members.

In Mr. Reagan's first term as President, Mr. Baker and Mr. Meese served as the key White House advisers along with Mr. Deaver. Mr. Regan, who became White House chief of staff in January, now performs that role exclusively.

Regan Urged Role for Bush

However, in private conversations Mr. Regan has expressed a desire for the President to receive counsel on important issues from other officials besides himself. He recently recommended, for example, that Mr. Bush attend the daily briefings that Mr. Regan has with the President so that another opinion could be expressed in the meeting.

While increasing the involvement of Mr. Baker and Mr. Meese in policy development, the restructuring is expected to take some pressures off the new chief of staff. In addition, it provides a system in which aides close to the President are responsible for the operations of key areas in the Administration.

It was unclear immediately if Mr. Reagan had sought to achieve that development in approving the change. Mr. Speakes said the reorganization would not increase the powers of Mr. Meese and Mr. Baker, and added that there would be "no winners or losers" under the new structure.

Caspar W. Weinberger, the Secretary of Defense, and William J. Casey, the Director of Central Intelligence, will not serve on the new panels but are members of the National Security Council. They and other top officials of the Administration will be invited to attend sessions of the economic and domestic group as needed, Mr. Speakes said.

The system, he added, "fits more in with the way that the President and Don Regan want to run the White House in the second term."